

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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In the Matter of)
)
Cellular Service and Other Commercial Mobile)
Radio Services in the Gulf of Mexico)
)
Amendment of Part 22 of the Commission's)
Rules to Provide for Filing and Processing of)
Applications for Unserved Areas in the Cellular)
Service and to Modify Other Cellular Rules)

WT Docket No. 97-112

CC Docket No. 90-6

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

COMMENTS OF GTE SERVICE CORPORATION

GTE Service Corporation and its telephone
and wireless companies

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SUMMARY

GTE supports the Commission's efforts to resolve licensing and operational issues in and around the GMSA. However, GTE does not believe that dividing the GMSA into Coastal and Exclusive Zones, as currently structured, can resolve the inherent conflict between the desire of Gulf carriers to have a flexible service area, the need for cellular customers on the beach to receive reliable service from land-based carriers, the need to adequately serve boating traffic adjacent to the shore, and the need to regulate competing CMRS providers similarly. Rather, to accomplish these goals, the Commission must amend its Coastal Zone/Exclusive Zone proposal. Instead, the Commission should expand the territory of land-based CMRS providers to include portions of Gulf of Mexico within 25 miles of the shore, 50 miles in Florida below the Panhandle, and re-draw the GMSA to include the remaining Gulf waters.

GTE's Gulf of Mexico solution is necessary because, so long as there is the possibility that the service provider in the Gulf immediately adjacent to shore is different from the service provider on land, one or the other carrier will infringe upon the other's territory. GTE's solution would serve the public interest by enabling one carrier to serve land and water areas within the same community of interest. Finally, GTE's proposal, if adopted for other broadband CMRS providers, would eliminate the possibility that the Commission's Gulf policies convey a competitive advantage on certain CMRS providers.

GTE believes the demarcation point between the newly drawn Gulf of Mexico Service Area ("GMSA") and the expanded land-based CMRS markets should be 25

miles from the shoreline for most of the Gulf, and 50 miles from the shore in Florida below the Panhandle. Evidence provided to GTE by the Coast Guard indicates that regular boating traffic extends at least 25 miles from the shore. Moreover, land-based transmitters can be configured to reliably cover a territory up to 50 miles from the shoreline. In addition, in drawing the demarcation point, GTE believes the Commission should consider whether water-based sites exist. Such platforms do not exist off much of the Florida coast below the Panhandle.

GTE opposes the FCC's proposal with respect to treatment of incumbents. In order for GTE's Gulf of Mexico solution to work, the Commission must require water-based cellular contours to be pulled-back out of the expanded land-based cellular market areas. GTE believes that the FCC's water-based propagation model should apply to all sectors encompassing mostly water areas.

Finally, with respect to many of the other issues identified in the *Second NPRM*, GTE notes that its Gulf of Mexico solution would eliminate these issues by eliminating most areas of conflict between land- and water-based service providers.

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COMMENTS OF GTE SERVICE CORPORATION

GTE Service Corporation on behalf of its telephone and wireless subsidiaries ("GTE") hereby submits its comments in response to the *Second Notice of Proposed Rulemaking* in the above-captioned proceeding.¹ In the *Second NPRM* the Federal Communications Commission ("FCC" or "Commission") proposes to adopt rules governing cellular licensing and operations in the Gulf of Mexico Service Area ("GMSA"). The Commission also seeks comment on what licensing and operational rules to adopt for other commercial mobile radio services ("CMRS") providers in the Gulf of Mexico.

¹ Cellular Service and Other Commercial Mobile Radio Services in the Gulf of Mexico, WT Docket No. 97-112, Amendment of Part 22 of the Commission's Rules to Provide for Filing and Processing of Applications for Unserved Areas in the Cellular Service and to Modify Other Cellular Rules, CC Docket No. 90-6, *Second Notice of Proposed Rulemaking*, FCC 97-110 (released April 16, 1997) (hereinafter "*Second NPRM*").

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GTE supports the Commission's efforts to resolve licensing and operational issues in and around the GMSA. However, GTE does not believe that dividing the GMSA into Coastal and Exclusive Zones, as currently structured, can resolve the inherent conflict between the desire of Gulf carriers to have a flexible service area, the need for cellular customers on the beach to receive reliable service from land-based carriers, the need to adequately serve boating traffic adjacent to the shore, and the need to regulate competing CMRS providers similarly. Rather, to accomplish these goals, the Commission must amend its proposal (1) to extend the license areas of the land-based cellular carriers to include the portion of the Gulf that shares a community of interest with the adjacent land areas; and (2) to adopt rules for broadband PCS, SMR and other CMRS providers that are similar to those adopted for cellular service.

I. Discussion

A. The Commission Should Abandon its Coastal Zone Proposal In Favor of Expanding Land-Based Cellular Markets and Redefining the GMSA

In listing the goals of this proceeding, the FCC stated that it wanted:

(1) to establish a comprehensive regulatory scheme that will reduce conflict between water-based and land-based carriers, (2) to provide regulatory flexibility to Gulf carriers because of the transitory nature of water-based sites, and (3) to award licenses to serve well-traveled coastal areas to those carriers that value the spectrum most highly and will maximize its use to provide the best quality of service to the public.²

In order to accomplish these goals, the Commission proposes to divide the Gulf into Coastal and Exclusive Zones. The Coastal Zone, to the extent it is not currently being served, would become subject to the FCC's Phase II unserved

² *Second NPRM* at 3 (¶ 2).

area licensing procedures, while the Exclusive Zone would remain the exclusive domain of the Gulf-based carriers.

GTE does not believe the FCC's proposed licensing and operational scheme for the GMSA will satisfy the goals of this proceeding. In particular, as explained below, the Commission's proposal will not eliminate the conflict that exists between land-based cellular providers adjacent to the GMSA and water-based carriers terminating coverage at the shore. To fix this fatal flaw in the FCC's proposal, GTE recommends that the Commission extend the market area of land-based cellular providers to a point in the Gulf of Mexico. GTE proposes further, that the GMSA be re-defined to include only Gulf waters not included in the expanded land cellular markets. The demarcation point between the expanded land-based cellular markets and the newly defined GMSA should be drawn far enough away from the shore to encompass the regular boating traffic that shares a community of interest with land-based customers.

1. The FCC Should Adopt Measures to Ensure that Customers on the Beach Receive Reliable Cellular Service

GTE is concerned that the NPRM does not specifically address land-based cellular providers' limited ability to provide reliable service to customers on the beach. The FCC's current rules with respect to the GMSA require land-based cellular providers adjacent to the GMSA to configure their networks so that the 32 dBu contours of their cell sites show coverage stopping at the

beach.³ At such a configuration, signal strength at the beach is at a level of -97 dBm. Portable cellular phones – the most likely type of cellular phones to be used on and around beaches – typically require power levels of -80 dBm or more. Exacerbating this problem is the fact that the most popular beaches are typically lined with high rise buildings that can block or divert cellular radio signals. As a result, customers using portable cellular phones on the beach or in nearby buildings often are either unable to make and receive cellular telephone calls, or experience dropped calls. Moreover, where water-based service exists near the shore, it is not uncommon for the signal from water-based cell sites to be the dominant signal on the beach. In such cases, beach users expecting to receive service from the land-based provider actually roam onto the water-based provider's network and are charged rates much higher than would otherwise be charged.⁴

The FCC's proposed rules do not appear to consider and do not resolve the problems of the cellular customer on the beach. In particular, where a Gulf carrier already shows a contour in the Coastal Zone up to the beach, the Commission

³ Carriers can extend their 32 dBu contours into the GMSA if they get approval from the applicable Gulf carrier to extend into the Gulf. GTE's experience, however, has been that such approval, especially on the B-side, has been difficult to obtain.

⁴ Three dollars per minute is the typical roaming charge assessed by the Gulf carriers. Another problem created by the current rules is that, in order to attenuate actual coverage at the beach, GTE, in some instances, shows 32 dBu coverage terminating well before the beach. While GTE has filed for alternative CGSA determination in these areas, these applications have been opposed by carriers attempting to obtain licenses under the Commission's unserved area rules.

proposes that the Gulf carrier would retain that area as part of its cellular geographic service area ("CGSA"). Also, under the Commission's proposal, there is the possibility that carriers other than the land-based provider will obtain the licensing rights to the Coastal Zone adjacent to the land-based provider's market. In each of these situations, there is strong possibility that cellular customers on the beach will either not receive reliable service or be charged exorbitant roaming rates.

GTE believes that it is not technically feasible for separate carriers to serve the land adjacent to the shore and the Gulf waters adjacent to the land, with each carrier's coverage attenuating at the shoreline. Because of the way radio signals propagate over water, there is no way to structure the cellular operational rules so that one carrier will not encroach on the other's market area. Because the FCC's proposal for the Gulf of Mexico would not eliminate this problem, GTE believes that the FCC's proposal must be changed.

2. The Public Interest Would Best Be Served by Allowing Land-Based Cellular Providers to Serve Portions of the Gulf Sharing a Community of Interest With Adjacent Land Markets

Aside from the technical infeasibility of dividing cellular markets at the shoreline, expanding land-based cellular providers' markets to include adjacent portions of the Gulf of Mexico is consistent with the community of interest shared between customers on land and boating traffic on the Gulf. The FCC, in drawing market boundaries, has attached importance to whether the markets created would encompass customers living in areas that share a community of interest with customers in adjacent areas. Thus, in adopting Rand McNally MTAs and BTAs as the market standard for PCS, the

Commission rejected smaller geographic markets for fear that such markets “would result in unnecessary fragmentation of natural markets.”⁵

GTE believes that the Commission should apply those same market determination principles in dealing with the situation in the Gulf of Mexico. In addition, in order to meet its goal of providing reliable cellular service to well-traveled coastal areas, the FCC must consider the type of service customers in these areas want and the entity that is best-suited to meet customers’ needs.

GTE submits that the customers most likely to be boating in Gulf waters adjacent to the shore are customers that live within the land markets abutting the Gulf of Mexico. Customers that live near the shore and regularly boat off the coast want and need cellular service that allows them to communicate reliably in both locations. These customers do not want to have to subscribe to two different cellular service providers in order to meet their land and water needs. Moreover, these customers do not want to subscribe to one provider or the other and pay roaming charges when outside their carrier’s home market.⁶ GTE believes that the only way to meet these customers needs and thereby serve the public interest is for the FCC to mandate that the carrier serving the land and adjacent water be the same service provider.

⁵ Amendment of the Commission’s Rules to Establish New Personal Communications Services, GEN Docket No. 90-314, *Second Report and Order*, 8 FCC Rcd 7700, 7732 (¶ 73-74).

⁶ As noted below, if cellular service will not meet these customers needs, they will likely turn to a competing service that can.

3. Land-Based Cellular Providers Must Be Able to Provide Service to Gulf Areas That Are Served by Other Broadband CMRS Providers

Competition with other broadband CMRS carriers provides yet another reason to abandon the Coastal Zone proposal and adopt GTE's expanded land-based cellular market solution. GTE notes that, in the *Second NPRM*, the FCC seeks comment on what licensing and operational rules to adopt for other CMRS providers, namely PCS and SMR.⁷ GTE is aware that PCS providers adjacent to the Gulf of Mexico believe that their market areas extend into the Gulf of Mexico. GTE knows that some PCS provider networks already extend into the Gulf. GTE is concerned about the effect that creating a different set of rules for cellular and other broadband CMRS providers will have on competition. GTE's Gulf coast cellular operations compete with broadband PCS and enhanced SMR licensees for customers along the coast. In the competitive CMRS marketplace, if the Commission's Gulf rules for these categories of service providers confer an advantage on these carriers with respect to their ability to serve customers on the beach or in the surrounding coastal waters, that advantage will most assuredly be used by GTE's competitors to lure customers away. Accordingly, any rules adopted by the Commission for these or any other CMRS providers must not give such providers opportunities not given to cellular providers.

To prevent any such competitive advantage being created, GTE urges the FCC to adopt a consistent approach for all CMRS adjacent to the Gulf. Specifically, GTE

⁷ *Second NPRM* at 24-26.

recommends that each land-based broadband CMRS providers market area be drawn to extend to the same point in the Gulf of Mexico.⁸

B. Land-based Cellular Provider Networks Should Be Extended 25 Miles From the Shore for Most of the Gulf of Mexico, 50 Miles From the Shore in Florida

Although GTE opposes the FCC's proposal to create the Coastal Zone, the questions asked by the FCC in the NPRM relating to the Coastal Zone/Exclusive Zone boundary are relevant in determining where to draw the line between the GMSA and the expanded land-based CMRS markets.

The Commission proposes to draw the Coastal/Exclusive Zone boundary far enough from the shoreline to encompass the majority of coastal boating traffic, yet close enough to the shore so that all areas within the zone are capable of receiving service from land-based transmitters. Based on these criteria, the Commission proposes to draw the boundary at the edge of the territorial waters of the United States – approximately twelve miles from the shoreline.⁹

GTE supports using these two criteria in drawing the land-based CMRS/GMSA demarcation point. GTE believes that considering these criteria, together with the additional criteria of whether water-based sites exist, leads to a conclusion that the demarcation point should be drawn 25 miles from the shoreline for most of the Gulf of Mexico, but 50 miles from shoreline for Gulf waters below the Florida Panhandle.

⁸ The Commission may wish to limit service within the newly defined GMSA to the existing Gulf-based carriers in order to compensate these carriers for the loss of territory near the shore.

⁹ *Second NPRM* at 15-16 (¶¶ 29-32).

1. Boating Traffic Regularly Travels Beyond the Proposed 12 Mile Boundary Limit

The twelve nautical mile boundary proposed by the Commission for the Coastal Zone fails to satisfy the two criteria identified by the FCC for determining the boundary between the Gulf-based cellular providers and CMRS providers serving more highly traveled Gulf waters. The first of those criteria, that the area be large enough to encompass the majority of coastal boating traffic, requires a demarcation point much further away from shore.

In an effort to determine the travel patterns of the majority of boating traffic, GTE contacted the United States Coast Guard. For Florida, the Coast Guard informed GTE that of the search and rescue missions performed each year by the Coast Guard in Florida, 95 percent of those missions occur within 25 miles of the shore. In Texas, the Coast Guard stated that pleasure and small craft will regularly travel up to 30-35 miles from the shore. This statistic indicates that in order for the FCC to meet its goal of encompassing the majority of the coastal boating traffic within the Coastal Zone, that zone must be extended to at least 25 miles from the shoreline.

Perhaps even more important, however, the Coast Guard informs GTE that cellular service, where available, is the method used by most boaters in placing marine rescue calls. Given that distressed boaters typically try to use their cellular telephones to place rescue calls, it is imperative that the Commission extend CMRS provider service areas out to a point that encompasses the area within which most of these calls would originate. The information supplied by the United States Coast Guard indicates that 12 miles is not far enough away from the coast.

2. Land-Based Transmitters Can Provide Cellular Coverage Up to 50 Miles From the Shoreline

The Commission also proposed that the Coastal Zone boundary be set so that the entire Coastal Zone could be served from land-based transmitters. The Commission sought comment on the range of land-based cellular transmitters.¹⁰ The range of land-based transmitters, of course, depends on the propagation model chosen. For purposes of responding to the FCC's inquiry, GTE believes that water propagation models are most appropriate. Using water propagation models, GTE believes that land-based transmitters can be configured to reliably cover a territory up to fifty miles from the shoreline.

3. The Commission Should Consider Whether Water-Based Sites Exist in Determining Where to Draw the Boundary

In drawing the GMSA/CMRS market demarcation point, GTE also believes the FCC should consider whether water-based sites exist that would enable a water-based carrier to serve Gulf waters adjacent to the shore. In areas where water-based facilities locations do not exist and likely will not exist in the foreseeable future, the Commission should set the demarcation point at the limit of the reach of land-based transmitters.

The State of Florida is one such area. Sources in both the United States Department of Interior, Minerals Management Service (which oversees leases to drill for oil in federally controlled waters) and the Florida Environmental Protection Agency inform GTE that, below the Florida Panhandle and north of 26° North latitude, the federal government currently does not allow oil platforms within 12 miles of the

¹⁰ *Id.* at 15 (¶ 31).

shoreline, and the state prohibits oil platforms within 100 miles of the shore.¹¹ The federal government plans to sell leases in a small portion of the Eastern Gulf in the year 2001, but those leases will be for drilling rights more than 100 miles off of the Florida coast. In the waters off of the Panhandle, although drilling leases have been sold, only a limited number of oil platforms exist.

Given these restrictions on oil drilling and the dearth of potential sites for water-based CMRS facilities, the FCC should set the demarcation point far enough away from the shore to encompass all of the territory capable of being served by land-based cellular facilities. Otherwise, customers in the waters beyond the demarcation point, especially in Florida, are not likely to receive reliable CMRS service.

Applying the FCC criteria and the additional criterion recommended by GTE, it becomes apparent that establishing the GMSA/expanded CMRS market demarcation point at the edge of the United States territorial waters will not meet the FCC's goals in this proceeding. The evidence obtained by GTE strongly suggests that the demarcation point needs to be further from the shore. GTE believes that the evidence supports a demarcation point 25 miles from the shore in most of the Gulf, and 50 miles from the shoreline in Florida waters below the Panhandle.

¹¹ See Overview of the OCS Program Offshore Florida, downloaded from the Minerals and Management Service Internet site, attached as Exhibit A. South of 26° North Latitude, a Presidential Executive Order prohibits development of oil drilling leases. (The 26° North Latitude mark is near Marco Island in South Florida.)

C. GTE Opposes the Commission's Proposal Regarding the Treatment of Incumbents

The FCC proposes to allow all water-based and land-based service area boundaries that extend into the Coastal Zone to be incorporated into the CGSA of the carrier currently providing the service.¹² In light of GTE's recommended solution for the Gulf of Mexico, GTE does not support allowing incumbent service providers in Gulf waters adjacent to the shore to maintain service in those areas. In order for GTE's plan to work, any Gulf-based service contours extending into the expanded CMRS market areas must be required to be pulled-back.

D. Water Propagation Models Should Apply to All Carriers Serving the Coastal Zone

The FCC notes that its rules currently require service contours to be calculated differently for land- and water-based transmitters. The FCC proposes to apply the same formula to all contours within the Coastal Zone. The Commission seeks comment on that proposal and on the best propagation formula to apply.¹³

Although GTE opposes the Coastal Zone concept, the issue of which propagation model to apply to contours extending into Gulf water is still relevant. GTE agrees that all contours primarily serving Gulf waters should be calculated in the same manner. GTE supports the use of the FCC's current Gulf water propagation model for calculating contours extending into the Gulf. In particular, where land-based transmitters are used to provide Gulf coverage, the Gulf water propagation model

¹² *Second NPRM* at 16-17 (¶¶ 35-36).

¹³ *Id.* at 17-18 (¶¶ 37-38).

should be used for sectors covering mostly water, while sectors covering mostly land should continue to use the land propagation formula.

E. Adopting GTE's Gulf Proposal Would Eliminate the Land-Based Transmitter Controversy

The FCC proposes to abandon its policy of absolutely prohibiting land-based facilities sites for GMSA carriers (without consent). Instead, the FCC plans to rely exclusively on the Commission's service area boundary ("SAB") extension rules to affect the placement of transmitters, whether land- or water-based.¹⁴

GTE notes that under its Gulf solution, the issue of whether carriers serving the Gulf may place transmitters on land would cease to exist.

F. Unserved Area Within the Expanded CMRS Markets Should Be Available Under Phase II Procedures After A Reasonable Time

The FCC proposes that portions of the Coastal Zone that do not currently receive cellular service be treated as "unserved areas" and be made available under the FCC's Phase II licensing procedures. The FCC proposes to dismiss all currently pending Phase II license application without prejudice, and to use competitive bidding procedures to select from among mutually exclusive applications. The Commission also proposes to require Phase II licensees to construct and provide service to the licensed area within one year.¹⁵

Under GTE's Gulf of Mexico solution, there would be no need to immediately apply the FCC's Phase II licensing procedures. However, should the land-based

¹⁴ *Id.* at 18-19 (¶¶ 39-40).

¹⁵ *Id.* at 19-20 (¶¶ 41-42).

provider fail to provide coverage into its expanded area within a reasonable time, unserved portions of the expanded markets should be made available for Phase II applications.

G. GTE Supports Applying the FCC's SAB Extension Rules to Extensions Into the Newly Drawn GMSA, Provided that the Demarcation Point Is Drawn Far Enough Away From the Shoreline

The FCC proposes to treat SAB extensions into the GMSA Exclusive Zone in the same manner as extensions into other cellular service areas.¹⁶ Although GTE Opposes the FCC's Coastal/Exclusive Zone proposal, this issue is still relevant with respect to extensions into the newly drawn GMSA. As stated above, GTE believes that the demarcation point between the newly drawn GMSA and other CMRS provider markets should be at least 25 miles from the shoreline. Accordingly, if the FCC were to make the demarcation point closer to shore (or if the FCC adopts its proposal and draws the boundary only 12 miles from the shore), limiting SAB extensions into the GMSA, particularly into parts of the GMSA that are not being served, would not serve the public interest. Thus, if the demarcation point is drawn at 12 miles, the FCC should allow more liberal SAB extensions into GMSA areas that are not being served by the GMSA licensee. Should the FCC adopt the demarcation point recommended by GTE, however, the proposed treatment of extensions into the GMSA would be acceptable.

H. The FCC Should Dismiss Pending Applications For Land-Based Transmitters

In the *Second NPRM*, the Commission states its intention to entertain 11 Applications for Review filed by Coastel requesting that the FCC reconsider its denial of

¹⁶ *Id.* at 20 (¶ 45).

land-based transmitters. The FCC plans to draft separate orders for each Application for Review and to release the orders simultaneously with the final order in this proceeding.¹⁷

GTE objects to the Commission's plan. First, if the FCC adopts GTE's Gulf of Mexico solution, the Commission will need to require all Gulf-based provider contours to pull-back outside of the expanded CMRS market areas. Accordingly, the FCC should dismiss each of the pending applications.

Second, even if the FCC adopts its Coastal/Exclusive Zone proposal, the FCC's plan with respect to these applications is flawed. In particular, by stating that it will draft separate orders for each Application for Review, the Commission leaves open the possibility that it will treat applications to extend coverage into currently unserved portions of the Gulf of Mexico in an inconsistent manner. On one hand, the FCC proposes to dismiss without prejudice all Phase II applications for unserved areas in the GMSA. The Commission appears to believe that it would more equitable to dismiss these applications without prejudice and allow an open Phase II GMSA filing period than to consider the merits of each.¹⁸

On the other hand, the FCC does not indicate that it will similarly dismiss applications by the current GMSA carriers to license land-based transmitters to provide service into the GMSA. As such, the FCC leaves open the possibility that it will grant pending applications by GMSA carriers to provide service into unserved GMSA regions.

¹⁷ *Id.* at 24 (¶ 57).

¹⁸ *See id.* at 23 (¶¶ 55-56).

Granting the Coastel applications would be inconsistent with the FCC's proposed treatment of landline Phase II applications, would prolong the effect of the policies the Commission is seeking to amend, and could jeopardize the FCC's policy objective of ensuring that Coastal regions of the Gulf receive the best possible cellular service from the entities best suited and able to provide such service.

II. Conclusion

GTE supports the Commission's efforts to resolve licensing and operational issues in and around the GMSA. However, GTE does not believe that dividing the GMSA into Coastal and Exclusive Zones, as currently structured, can resolve the inherent conflict between the desire of Gulf carriers to have a flexible service area, the need for cellular customers on the beach to receive reliable service from land-based carriers, the need to adequately serve boating traffic adjacent to the shore, and the need to regulate competing CMRS providers similarly. Rather, to accomplish these goals, the Commission must amend its proposal (1) to extend the license areas of the land-based cellular carriers to include the portion of the Gulf that shares a community of interest with the adjacent land areas; and (2) to adopt rules for broadband PCS, SMR and other CMRS providers that are similar to those adopted for cellular service.

Respectfully submitted,

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EXHIBIT A

Minerals Management Service

Gulf of Mexico OCS Region

Overview of the OCS Program Offshore Florida

*Note: This guide covers the Outer Continental Shelf (OCS) Program in the Gulf of Mexico.
(For the Atlantic Coast Activity, see [Atlantic OCS Activities](#).)*

MMS has conducted natural gas and oil lease sales in the Gulf of Mexico offshore Florida, and it has worked out agreements with local governments to make sand and gravel available to local communities for [beach renourishment projects](#). The jurisdiction of MMS covers Federal waters only. In the Gulf of Mexico waters offshore Florida, Federal jurisdiction begins about 9 miles offshore the coast. The first 9 miles of coastal waters belong to the State of Florida.

Drilling for natural gas or oil has been occurring offshore Florida in the Gulf of Mexico for about 37 years. The first of 10 natural gas and oil lease sales offshore Florida was held in 1959 and issued 23 oil and gas leases. Additional lease sales in the Eastern Gulf of Mexico OCS planning area were held in 1973, 1976, 1978, 1981, 1982, 1983, 1984, 1985, and 1988. Currently, there are 156 active leases in the [Eastern Gulf of Mexico Planning Area](#). For more on the leasing history offshore Florida, see [Current and Historical Facts](#). Florida has received approximately \$500 million from the OCS program. (See [Florida Benefits from OCS Activities](#).)

Once a company in the oil and gas industry acquires a lease, the company has to prepare an exploration plan and have it approved by MMS in order to drill a well. MMS also prepares an environmental assessment of the impacts of drilling the well. A typical exploration plan proposes the drilling of one or more exploratory wells. If a discovery of oil and gas is made by the company, it then prepares and files a development plan with MMS for approval. Both the exploration plan and the development plan must also be consistent with the State of Florida's Coastal Zone Management plan. (See [Consistency Review](#).)

While a company is drilling for or producing natural gas or oil, the MMS [inspection program](#) calls for MMS inspectors to review operations and periodically visit and inspect the facility in detail for safety and environmental protection. Meanwhile, as the lease owner or operator conducts operations, any changes or new procedures must be approved by MMS through a Sundry Notice.

To date, 47 exploratory wells have been drilled offshore Florida in the Gulf of Mexico (see [listing](#)). Eight of these wells have discovered hydrocarbons in commercial quantities (see [drilling activities](#)). Chevron U.S.A. has drilled three discovery wells on an area known as Destin Dome Block 56 Unit, about 25 miles south of Pensacola. (See [Map](#).) All three wells have found significant quantities of natural gas. This natural gas is part of the same geologic formation (the Norphlet formation) that is being produced in the Mobile Bay, Alabama offshore area.

Chevron filed a proposed development plan with the MMS in November 1996. A development plan contains a great deal of information submitted by the company. Such a plan could take 24 months or longer to obtain approval, because a developmental environmental impact statement (EIS) would be required. As part of the EIS process, public hearings in the affected area would be held.

In November 1996, the Secretary of the Interior released the *Final Outer Continental Shelf Oil & Gas Leasing Program Decision Document*, which addresses the Federal OCS leasing program. (To obtain a copy, please reference this document by title when contacting our [Public Information Office](#).) The 5-year Leasing Program is outlined within that document. The program proposes 16 lease sales during 1997-2002. Ten of these are in the Central Gulf and Western Gulf of Mexico; one is proposed for the

area offshore Alabama (the Eastern Gulf of Mexico) in 2001. ([See OCS Planning Map](#).) A lease sale in a small portion of the Eastern Gulf Planning area is proposed in 2001 and contains no area closer than 100 miles offshore Florida. The proposed sale area is consistent with the State of Florida's opposition to offshore oil and gas activities within 100 miles of its coast. It also responds to concerns raised by the Governor of Alabama.

Several years ago, 73 oil and gas leases existed offshore southwest Florida, south of 26° North latitude. The President issued an Executive Order on June 26, 1990, to place a restriction on developing these leases. In October 1995, the leases were relinquished back to the Federal Government as part of the settlement of a lawsuit. Consequently, no Federal natural gas and oil leases exist off South Florida. In addition, no leases exist on the Atlantic seaboard side of Florida.

To prepare for lease sales and to protect the environment during offshore operations, the MMS conducts environmental studies. Over \$41 million worth of environmental studies offshore Florida in the Gulf of Mexico has been completed. Several new environmental studies are planned and underway. [See Environmental Studies Offshore Florida](#).

MMS also has the authority to sell sand and gravel from the OCS and, under a new law (P.L. 103-426), enter into negotiated agreements. To date, MMS has entered into a negotiated agreement with the City of Jacksonville, Florida, for the removal of 1.24 million cubic yards of sand. ([See Press Releases](#)). MMS also has contracts and cooperative agreements for environmental studies on dredging operations resulting from beach renourishment projects. ([See Benthic Repopulation Studies](#).) MMS also previously entered into a [cooperative agreement with the Florida Geological Survey](#) to study potential sand resources from the Outer Continental Shelf, resources that could be used for beach renourishment. The initial study involves offshore areas along Brevard, Indian River, Martin, and St. Lucie counties out to approximately 10 miles. Some two-thirds of sandy beaches along this 90-mile stretch of coastline are eroding. Loss of sand from Florida's beaches is a serious problem affecting the coastal environment and the State's economy, and previously identified sand sources are nearing depletion.

More information about MMS activities in the Eastern Gulf of Mexico can be obtained from our MMS Gulf Region Public Affairs Office at (504) 736-2595.

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*This page maintained by Carla Langley.
Last updated on 01/17/97.*